

VZCZCXYZ0038
RR RUEHWEB

DE RUEHLJ #0057/01 0431248
ZNR UUUUU ZZH (CCY AD5B1E9C MSI6431-695)
R 121248Z FEB 08
FM AMEMBASSY LJUBLJANA
TO RUEHC/SECSTATE WASHDC 6435
INFO RUCNMEM/EU MEMBER STATES
RUCPDOG/DEPT OF COMMERCE WASHDC

UNCLAS LJUBLJANA 000057

SIPDIS

SENSITIVE
SIPDIS

C O R R E C T E D COPY CAPTION
EEB/CBA FOR DENNIS WINSTEAD, EUR/NCE FOR TOM YEAGER, FOR
FCS/VIENNA CHRIS QUINLIVAN

E.O. 12958: N/A
TAGS: [BEXP](#) [ECON](#) [EINV](#) [ETRD](#) [TSPL](#) [SI](#)
SUBJECT: IPR CONFERENCE BRINGS U.S.-SLOVENE EXPERTS
TOGETHER TO DISCUSS BUSINESS OPPORTUNITIES

REF: A. 07 STATE 189849
[1](#)B. LJUBLJANA 50

Summary

[1](#)1. (U) On October 22, post used BFIF funds and organized a conference entitled "Harness Your Inventive Spirit into Economic Growth: Encouraging Business Innovation through Strong Intellectual Property Rights Protection and Public Private Partnerships," co-hosted by Slovenia's premiere scientific research institute, the Josef Stefan Institute (JSI). To engage the Slovenian business and scientific communities with intellectual property rights (IPR) issues, post brought together American researcher-entrepreneur Dr. Michael Martin, JSI's Chief Scientist Dr. Jadran Mihailovic, and representatives from the Slovenian Intellectual Property Office (SIPO) to share their ideas on how businesses could utilize IPR for business growth. The experts acknowledged that IPR presents many opportunities and challenges to business development in Slovenia. Dr. Martin presented examples of two successful U.S. small enterprises approaching intellectual property (IP) from different angles. The Slovenian speakers expressed frustration at some of the financial constraints on high-tech research and bureaucratic IP barriers that Slovene entrepreneurs face. All speakers and participants thanked the Embassy for organizing such a valuable event, and commented that more such events were needed. End Summary.

Business Opportunities and Challenges in IPR Protection

[1](#)2. (U) Dr. Michael Martin, Vice-President at Ohio-based public-private business initiative EMTEC, was the keynote speaker at the conference, which gathered scientists, inventors and business people. His presentation, entitled, "An American Approach to Innovation through Strategic Implementation of IPR and Public Private Partnerships," focused on two small U.S. companies, American Trim and Faraday Vision, which used IPR in different ways to achieve business success. Martin heralded American Trim as a successful model of traditional IPR, developing and patenting all of its innovations to garner market share. He then presented Faraday Vision, a rarely-seen model whereby rather than patenting innovations, Faraday sought out strategic alliance partnerships in order to share information and work together to be the first movers on the innovation. Although American Trim's strategy is more common today, Martin pointed out that in a world of fast-paced innovations, the Faraday model is gaining more proponents.

¶3. (SBU) Panelists Dr. Dragan Mihailovic and Mojca Pecar and Janez Kuhec Mezek from the Slovenian Intellectual Property Office (SIPO) presented information on how the current Slovenian IP laws help or hinder economic development. As well as being a researcher and professor, Mihailovic explained that he is also an entrepreneur, spinning off his nanotechnology research into a business enterprise. He expressed frustration with the Government of Slovenia (GOS) for its lack of support for high-tech research and said that he hopes that JSI can find ways to work with U.S. scientists to develop more public-private partnerships. The participants widely agreed that the EU needs to find a way to make patenting less expensive and more small and medium-sized enterprise (SME)-friendly. One entrepreneur told emboff that in order to patent his invention in Slovenia he would need to pay 80,000 euros annually. The Slovene participants also expressed a strong desire for more cooperation with the U.S. on science and technology. Slovenia currently spends about 1.7% of GDP on research and development, with the EU mandate at 3%.

¶4. (U) Mojca Pecar, head of the legal department at SIPO, explained that Slovenia is almost entirely harmonized with EU directives, but that this harmonization offers both opportunities and barriers. She said that with harmonized IPR and patent legislation, Slovene business people know what they can expect from different markets in the EU, which allows Slovene SMEs to move more quickly into other EU markets. Unfortunately, membership in the EU has set up the bureaucratic barrier of having to have every patent application be submitted in all 23 EU languages. In his presentation, Mezek explained that Slovenia has a short-term patent that costs about 800 euros, but only provides one-time limited protections and lasts for only one year. He said though businesses often apply for this patent, most business people find that it does not help them gain market share

through innovation.

Comment

¶5. (SBU) The conference was a great success in bringing together experts on IPR to discuss opportunities that innovations and SMEs offer for economies. Participants and speakers alike said that more such opportunities are needed. Given the importance of this issue and the Slovenian interest in more discussion on it, post has requested BFIF funds to follow up this conference with a roundtable on IPR organized in cooperation with SIPO (Ref B). The speakers would be four staff at SIPO who have received U.S.-sponsored training by the U.S. Patent and Trademark Office (USPTO) at the Global Intellectual Property Institute (GIPA). End Comment.
COLEMAN